

## **FISCAL NOTE**

### **HB 3289 - SB 3557**

February 18, 2008

**SUMMARY OF BILL:** Makes multiple changes to the lottery scholarship program including, but not limited to, changes applicable to income requirements for ASPIRE awards, dual enrollment grants, Tennessee HOPE Foster Child Grants, Tennessee HOPE Teachers Scholarships, non-traditional students, home-schooled students, Tennessee Technology Center students, HOPE Scholarship eligibility for dependents of religious workers, partial HOPE awards for students with grade point averages between 2.75 and 3.0, and terminating events for the HOPE Scholarship. Creates the Tennessee Scholar Supplemental Award for students meeting certain requirements. Authorizes students attending two-year institutions with on-campus housing to be eligible for \$4,000 HOPE award. Requires the Tennessee Student Assistance Corporation to develop an alternative application form to the Free Application for Federal Student Aid (FASFA). Creates a special joint committee to study the manner in which financial assistance shall be provided from net lottery proceeds.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$3,400/Each One-Day Meeting**

**Other Fiscal Impact - Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$30,999,000 in FY08-09 and by \$38,545,000 in FY09-10.**

Assumptions:

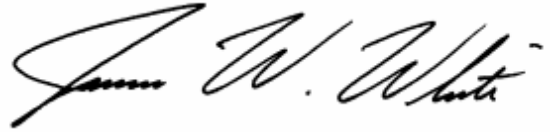
- Increasing the income requirement for ASPIRE awards from \$36,000 to \$40,000 per year – first year costs of \$2,300,000 (1,536 students); second year costs of \$2,500,000 (1,690 students).
- The creation of the Tennessee HOPE Scholar Supplemental Award – first year costs of \$6,000,000 (6,000 students); second year costs of \$11,800,000 (11,800 students).
- Increasing dual enrollment grants from four to five classes – first year costs of \$1,200,000 (5,500 students); second year costs of \$2,400,000 (11,000 students).
- Changes applicable to non-traditional students – first year costs of \$4,600,000 (1,900 students); second year costs of \$4,600,000 (1,900 students).

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- Changes applicable to Tennessee HOPE Foster Child Grants – first year costs of \$50,000 (35 students); second year costs of \$50,000 (35 students).
- The authorization for students attending two-year institutions with on-campus housing to be eligible for \$4,000 HOPE awards – first year costs of \$226,000 (113 students); second year costs of \$248,000 (124 students).
- Changing the HOPE Scholarship terminating event from 120 semester hours to five full-time equivalent years or baccalaureate degree – first year costs of \$2,400,000 (600 students); second year costs of \$2,400,000 (600 students).
- Changes applicable to the Tennessee HOPE Teachers Scholarship – first year costs of \$100,000 (50 students); second year costs of \$100,000 (50 students).
- Expanding HOPE eligibility to dependents of religious workers – first year costs of \$120,000 (30 students); second year costs of \$132,000 (33 students).
- Changing the requirement for home-schooled students from two years to one year immediately preceding completion of program – first year costs of \$400,000 (100 students); second year costs of \$440,000 (110 students).
- The authorization of partial HOPE Scholarships for students maintaining grade point averages between 2.75 and 3.0 – first year costs of \$13,603,000 (4,164 students); second year costs of \$13,875,000 (4,247 students).
- The increase of expenditures from lottery proceeds for TSAC to develop alternative application form is estimated to be not significant.
- The total increase of expenditures from lottery proceeds in the first year (FY08-09) is estimated to be \$30,999,000.
- The total increase of expenditures from lottery proceeds in the second year (FY09-10) is estimated to be \$38,545,000.
- Creation of joint study committee - travel and per diem expenses for twelve legislative members of approximately \$3,400 per meeting (\$161 per diem plus \$120 mileage each).

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/rnc